

Message Text

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ACTION INR-07

INFO OCT-01 ARA-10 ISO-00 CCO-00 OES-05 EB-07 CIAE-00

OTPE-00 FCC-02 NSAE-00 RSC-01 COME-00 BIB-01 OC-05

ACDA-10 DODE-00 PM-03 L-02 NASA-02 NSC-05 USIA-15

SS-15 SP-02 OMB-01 TRSE-00 CIEP-02 /096 W

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R 231225Z JAN 75

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 2011

INFO AMCONSUL SAO PAULO

AMEMBASSY BRASILIA

UNCLAS RIO DE JANEIRO 0234

E. O. 11652: N/A

TAGS: PINR, BR

SUBJ: FOREIGN SMALL EARTH-STATION TECHNOLOGY ASSESSMENT

REF: STATE 282811

1. SUMMARY: GOVERNMENT OF BRAZIL IS ACTIVELY CONSIDERING DOMESTIC SATELLITE SYSTEM. GENERAL EXPECTATION IS THAT GOB WILL RPT WILL OPT FOR DOMESTIC SATELLITE SYSTEM, BUT TIMING IS UNCERTAIN. NEGATIVE DECISION, HOWEVER, NOT COMPLETELY RULED OUT. MAXIMUM NATIONAL PRODUCTION OF GROUND PORTION WILL RECEIVE HIGH PRIORITY. MESSAGE COORDINATED WITH EMBASSY AND COVERS EMBASSY RESPONSE. AND SUMMARY.

2. FOR THE LAST TWO MONTHS BRAZILIAN PRESIDENT ERNESTO GEISEL HAS HAD ON HIS DESK A PROPOSAL FOR A DOMESTIC SATELLITE SYSTEM. THE PROPOSAL, UNDER PREPARATION FOR ALMOST TWO YEARS, IS EXPECTED TO GAIN APPROVAL, BUT SOME OPPOSITION EXISTS. OPPOSITION HAS COME FROM THOSE WHO QUESTION THE WISDOM OF ADOPTING SUCH AN EXPENSEIVE PROGRAM, ESPECIALLY GIVEN BRAZIL'S BALANCE OF PAYMENTS SQUEEZE AND THE EXISTENCE OF UNCLASSIFIED

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ALTERNATIVE COMMUNICATIONS POSSIBILITIES. UNTIL A PRESIDENTIAL

DECISION IS TAKEN AND PUBLICIZED, NO RELIABLE ESTIMATE CAN BE MADE OF THE GROUND NETWORK'S SIZE. VARIOUS OBSERVERS HAVE, HOWEVER, SPOKEN IN GENERAL TERMS OF GROUND SYSTEMS THAT VARY FROM 20 UP TO 200 STATIONS OVER THE MEDIUM TERM.

3. IMPROVED COMMUNICATIONS CAPABILITY OFFERED BY A DOMESTIC SATELLITE SYSTEM HAS NOT BEEN THE ONLY, OR EVEN THE PRIME, ARGUMENT FOR THE SYSTEM. RATHER, NATIONAL PRESTIGE AND, TO A LESSER EXTENT, UNIFICATION ARE THE PRINCIPAL DRIVING FORCES BEHIND THE SYSTEM. INDEED, MANY IN THE TELECOMMUNICATIONS BUREAUCRACY IN BRAZIL OPPOSED THE SYSTEM AS UNNECESSARY AND TOO EXPENSIVE.

4. ASSUMING THE DECISION IS MADE TO GO AHEAD WITH THE DOMESTIC SATELLITE SYSTEM, THE FIRST QUESTION THAT ARISES IS TIMING. A DECISION TO BUILD A SYSTEM IMMEDIATELY (WHICH IS A POSSIBILITY) WOULD MEAN ALMOST EXCLUSIVE RELIANCE ON IMPORTED FACILITIES. ON THE OTHER HAND, A DECISION NOT TO INSTALL THE SYSTEM UNTIL 1978 (WHICH WE CONSIDER MORE LIKELY), WOULD ALLOW SUBSTANTIAL LOCAL MANUFACTURE OF THE GROUND STATION COMPONENTS. INDEED, INSTALLING THE SYSTEM) WOULD REQUIRE SUBSTANTIAL LOCAL MANUFACTURE FOR BOTH TECHNOLOGICAL AND BALANCE OF PAYMENTS REASONS. THIS WOULD LIKELY BE A PRECONDITION FOR BIDDERS.

5. THE DOMESTIC SYSTEM WOULD LIKELY EMPLOY A DEDICATED SATELLITE ALTHOUGH A DECISION TO INSTALL A SYSTEM IMMEDIATELY WOULD MEAN RENTING A TRANSPONDER UNTIL A DEDICATED SATELLITE COULD BE BUILT AND LAUNCHED. U.S. SUPPLIERS HAVE THE CLEAR EDGE IN THE PROVISION OF THE SATELLITE ITSELF.

6. TECHNICAL PERFORMANCE OF THE SYSTEM WILL BE AN IMPORTANT CONSIDERATION IN AWARDING THE CONTRACT. BRAZILIAN AUTHORITIES HAVE CONSIDERABLE EXPERIENCE IN DEALING WITH THE MAJOR TELECOMMUNICATIONS PRODUCERS AND CAN BE EXPECTED TO DRIVE A HARD TECHNICAL BARGAIN. FURTHERMORE, EXPERIENCE WITH THE RECENT INSTALLATION OF THREE SMALL EARTH STATIONS (IN JUNE 1974) HAS EDUCATED THE BRAZILIAN AUTHORITIES EVEN MORE. IT IS INTERESTING TO NOTE THAT EMBRATEL HAS NOT PAID COMSAT INTERNATIONAL FOR THESE THREE STATIONS BECAUSE THE STATIONS HAVE NOT YET PERFORMED UP TO SPECIFICATIONS. FUTURE SUPPLIERS MAY EXPECT TO BE HELD TO UNCLASSIFIED

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EQUALLY DEMANDING STANDARDS.

7. THE DIRECTOR OF THE INTERNATIONAL COMMUNICATIONS SECTION OF EMBRATEL INDICATES THE FOLLOWING COMPANIES ARE HIGHLY REGARDED FOR EITHER THE ANTENNA OR ELECTRONIC PORTIONS OF SMALL EARTH STATIONS (WITH REGARD TO A BRAZILIAN DOMESTIC SYSTEM, HE INDICATED THAT EMBRATEL MIGHT ASSUME THE PRIME CONTRACTOR ROLE RATHER THAN RETAIN A COMPANY TO COORDINATE THE PROJECT):

E-SYSTEMS (ANTENNA) OF U.S.
RCA OF CANADA
ITT - U.S.
GTE - U.S.
COMTECH - U.S.
NIPPON ELECTRIC OF JAPAN
SIEMENS OF GERMANY
STS OF ITALY (?)
THOMSON OF FRANCE.

8. THE THREE SMALL EARTH STATIONS RECENTLY ACQUIRED WERE PROVIDED BY COMSAT INTERNATIONAL WITH E-SYSTEMS AS THE ANTENNA SUBCONTRACTOR AND GTE AS THE ELECTRONIC SUBCONTRACTOR. WHILE THE STATIONS HAVE NOT BEEN PAID FOR, EMBRATEL IS STILL QUITE SATISFIED WITH THEIR PERFORMANCE AND WOULD CONSIDER THE SAME SUBCONTRACTORS AGAIN. INDEED, E-SYSTEMS HAS BEEN QUITE ACTIVE IN SOLICITING THE ANTENNA WORK FOR THE DOMESTIC SATELLITE AND REPORTED TO CONGEN RIO THAT A 25 STATION SYSTEM IS UNDER CONSIDERATION. EMBRATEL SOURCES WOULD NOT CONFIRM THIS.
MILLER

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